

Lunker Federal #2-33-4H

Weekly Inspection Report

April 1 and April 4, 2013

Prepared for:

Slawson Exploration Company, Inc.
1600 Broadway, Suite 1600
Denver, CO 80202

Prepared by:

Lowham Walsh LLC
107 West Main Avenue, Suite 325
Bismarck, ND 58501



Lunker Federal #2-33-4H

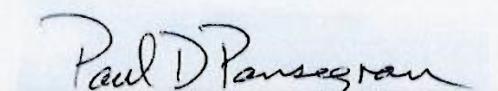
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A handwritten signature in black ink, appearing to read "Paul D. Pansegrouw". The signature is written in a cursive style with a horizontal line underneath it.

Paul D. Pansegrouw, Ph.D.
North Dakota Operations Manager
Lowham Walsh, LLC

Lands adjacent to Slawson's Lunker Federal #2-33-4H pad were inspected on April 1, 2013 and April 4, 2013 by David Peters. This document contains photographs and field notes that were taken during the inspection.

Inspection on April 1, 2013:

Weather Conditions: 30°F, 5 mph wind, partly cloudy skies.

Arrived at Slawson Lunker Federal site at 1020 hours. The installation of a siphon break basin for snow melt runoff on Section 28 was discussed with Rod Johanson and the contractor. Ultimately, the landowner denied permission to install the siphon break basin. Further inspection of Section 28 revealed that drainage was to the south, toward the filter strips and sorbent booms installed on Section 32.

The drainage pathway from the pad to the shore of Lake Sakakawea was walked, looking for signs of a visible sheen, or floating oil and grease, upon open water. General features observed throughout the walk were that considerable ice and snow were still present, but small pockets of open water were present in the drainage.

The area where the temporary berm was constructed was inspected for signs of petroleum or a sheen on a watery surface. Nothing was observed.

The area near the culvert connecting Sections 32 and 33 was observed. Both sides of the roadway were inspected. A photograph showing the area near the culvert is attached as Figure 1.

Mr. Peters inspected the area from the culvert to the sorbent booms and hay filter strip. Photographs were taken and are attached as Figures 2 through 6. No visible sheen was observed along the inspection corridor, including the areas above and below the booms and filter strips.

Due to prevailing weather conditions, Figure 5 shows sorbent booms which are submerged due to being frozen to the ground. During the time of the inspection, the ice holding the booms down melted, and the booms began to float on the surface of the water.

The water running into the lake was also visually inspected. No signs of petroleum sheen were observed.

The site was departed at 1320 hours.

Figure 1. Area near culvert along roadway.



Figure 2. Water and ice near hay filter.



Figure 3. Standing water on Wildlife Management Area.



Figure 4. Standing water below west sorbent booms and hay filter strips on Wildlife Management Area.



Figure 5. West drainage on Wildlife Management Area showing sorbent booms and hay filter strips.



Figure 6. Standing water and ice above west sorbent booms and hay filter.



Inspection on April 4, 2013:

Weather conditions: 30°F, 5 mph winds, partly cloudy skies.

Arrived at Lunker at 1035 hours. The inspection began near at the northeast corner of the pad, and continued toward the lake. The area near the pad culvert was inspected. No signs of a sheen or floating oil and grease were observed.

The site was departed at 1230 hours.

Figure 7. Pad culvert.



The inspection continued toward the culvert joining Sections 32 and 33. No sheen or floating petroleum was observed.

Figure 8. Drainage ditch north of pad.



Figure 9. Area where temporary berm was located.



Figure 10. Hay filters and sorbent boom near culvert.



Figure 11. Standing water alongside hay filter.



Figure 12. Close-up photo of standing water featured in Figure 11.



Figure 13. Culver out flow between Sections 32 and 33.



The inspection continued on toward the sorbent booms and hay filters on the Wildlife Management Area. Some ice, but no petroleum sheen was observed.

Figure 14. Picture of sorbent booms and hay filters in east drainage.



Figure 14 shows that some of the hay filter has been breached by flowing water. It is recommended that this hay be replaced. It is important to note the sorbent boom is still in place.

Figure 15. West drainage downstream of sorbent booms and hay filters.



No visible sheen or floating petroleum.

Figure 16. Drainage area above west drainage booms and hay filters.



No visible sheen or floating petroleum.

Figure 17. Additional drainage above west booms and hay filters.



No visible sheen or floating petroleum.

Figure 18. View of west booms and hay filter from a second perspective.



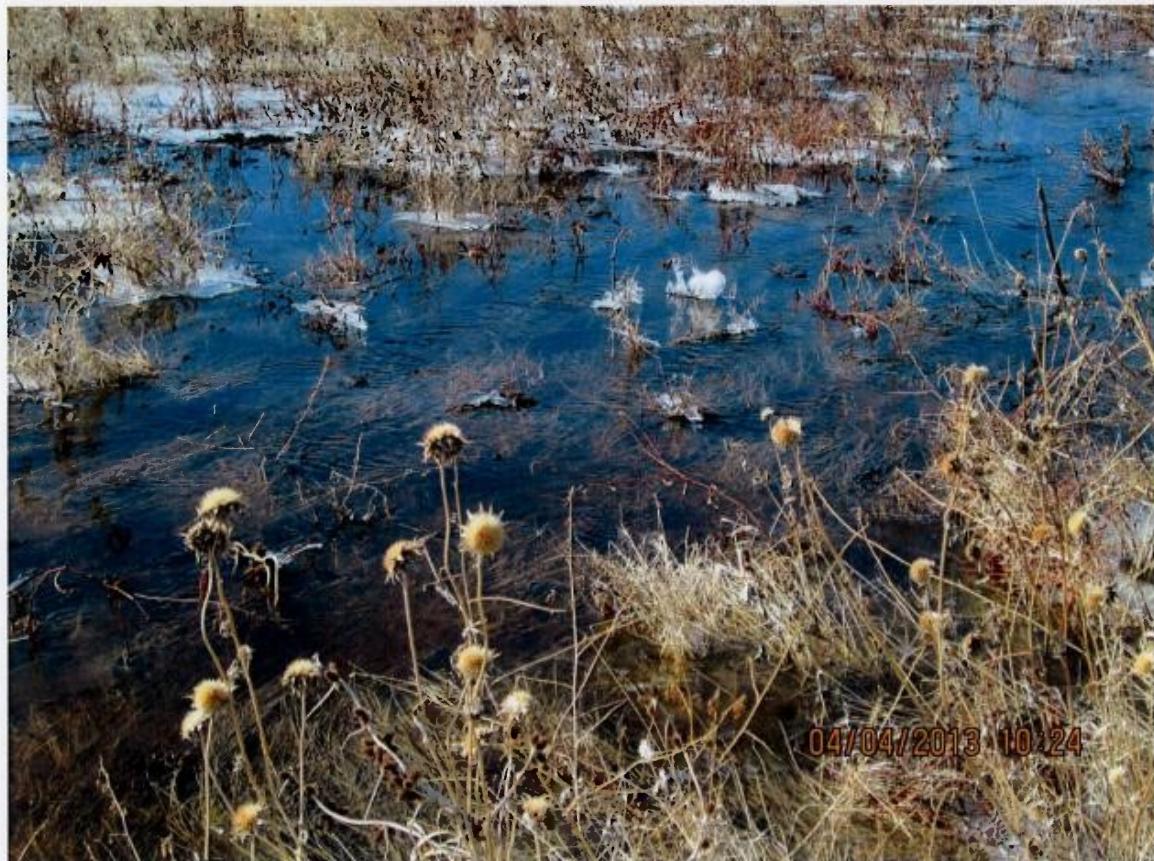
No visible sheen or floating petroleum.

Figure 19. Flow of water through west hay filter strip.



No visible sheen or floating petroleum.

Figure 20. Water flow below the booms and hay filter strips.



No visible sheen or floating petroleum.

Figure 21. Water flow above the west booms and hay filter strips.



No visible sheen or floating petroleum.

Figure 22. Drainage area along shoreline.



No signs of sheen, or floating petroleum were visible at the point where the water enters the lake.

Conclusions:

The areas adjacent to Lunker Federal #2-33-4H were inspected on April 1, and April 4, 2013. During the time of the inspection, no evidence of petroleum impact to the land was detected by visual inspection. Movement of a section of the hay filters was observed; however, the neighboring sorbent booms remained in place.

Lunker Federal #2-33-4H

Weekly Inspection Report

April 9 through April 12, 2013

Prepared for:
Slawson Exploration Company, Inc.
1600 Broadway, Suite 1600
Denver, CO 80202

Prepared by:
Lowham Walsh LLC
107 West Main Avenue, Suite 325
Bismarck, ND 58501



Lunker Federal #2-33-4H

Weekly Inspection Report

April 9 through April 12, 2013

Prepared for:
Slawson Exploration Company, Inc.

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Paul D. Pansegrouw, Ph.D.
North Dakota Operations Manager
Lowham Walsh, LLC

Lowham Walsh

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Inspections of the area downstream from Lunker Federal #2-33-4H were performed on April 9, April 10, and April 11, 2013. Additionally, repair work was performed on hay filters by Slawson Exploration personnel on April 11th. Photos are included as a record of observations following the test portion of the document. A group walk of the site was conducted on April 12th with representative of U.S. Army Corps of Engineers (USACE), North Dakota Fish & Game (NDF&G), and Lowham Walsh.

Inspection on April 9, 2013:

Weather conditions: 26°F, no wind, mostly cloudy.

David Peters arrived on site at 1330 hours. Purpose was to search for a water surface sheen as described by William Harlon in his field report dated April 8, 2013, describing his observations from April 4, 2013.

Figures 1 through 43 constitute the photographs taken.

General conditions of the Wildlife Management Area (WMA) during this survey included no movement of water due to ambient temperature and the fact that very little snow remained in the area. Pools of iced over water could be found. No visible petroleum sheen was observed at any location. Some biological mass was observed within the RV park. Figures 42 and 43 record the observed biological mass observed within the RV park.

Departed the site at 1630 hours.

Inspection on April 10, 2013:

Weather conditions: 30°F, 5 mph winds, partly cloudy.

David Peters arrived on site at 1215 hours. Purpose of the visit was to direct a roustabout crew during repairs and adjustments to hay filters moved by water flow.

Figures 44 through 83 constitute the photographs taken.

Biological mass was observed north and east of the pad (Figures 55 and 56).

Repairs to hay filters were begun at 1400 hours.

A water sample was collected at lakeshore at 1515 hours. The sample was sent to ESC Labs. Normal sample processing time was requested. Results are pending.

An area of discolored snow was noted on the west side shoreline of the isolated pond between the WMA and Lake Sakakawea, as shown in Figure 67. General appearance indicated a very small area of discolored snow. Inspection of the surrounding area did not reveal any other locations where discoloration was observable. A total of 5 gallons of discolored snow were removed via a plastic bucket. Plans were made to remove the remaining discolored snow.

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Departed the site at 1630 hours.

Inspection and Remediation on April 11, 2013:

Weather conditions: 24°F, no wind, mostly cloudy.

David Peters arrived on site at 0835 hours. Purpose of the visit was to remove discolored snow and collect a soil sample for analysis.

Figures 84 through 88 constitute the photographs taken.

Removal of discolored snow was achieved with a roustabout crew utilizing shovels, pick axes, buckets and a drum. A total of approximately 50 gallons of discolored snow was removed. The discolored snow was added to a tank at Lunker Federal #2-33-4H for disposal with produced water.

Sorbent booms were positioned below the area where the discolored snow had been removed.

A soil sample was collected and shipped to ESC Labs. Expedited analysis was requested for organic analyses. Normal analysis time was requested for inorganic analyses. A sample report was received on April 17th. A synopsis is presented below.

Table 1. Results of Organic Analyses on Soil Sample.

Analysis	Result*	Detection Limit
Total Petroleum Hydrocarbon (80/15/GRO)	0.64 mg/kg	0.50 mg/kg
Diesel Range Hydrocarbon (80/15/DHO)	BDL	4.0 mg/kg
Oil Range Hydrocarbon (80/15/DHO extended)	BDL	4.0 mg/kg
Benzene	BDL	0.0050 mg/kg
Toluene	BDL	0.025 mg/kg
Ethylbenzene	BDL	0.0050 mg/kg
Total Xylenes	BDL	0.015 mg/kg

* BDL: Below Detection Limit

The results tend to indicate that the discolored snow is not associated with the Lunker Federal #2-33-4H event of Dec. 17, 2012 due to a lack of heavy hydrocarbons. The discoloration could be due to a recreational or other plausible activity.

The site was departed at 1315 hours.

Inspection on April 12, 2013:

Arrived on site at 1030 hours.

Weather conditions: 30°F, 5 mph wind, partly cloudy.

Figures 89 through 93 constitute the photographs taken.

Met with Rod Johanson (Sjawson), William Harlon (U.S. Army Corps of Engineers), Kent Luttschwager (NDG&F), and other representatives of North Dakota Game and Fish. The WMA was walked as a group, with discussions occurring at points of interest along the way.

At the east shoreline of the isolated pond, a sheen was noted by William Harlon. Mr. Harlon stated it resembled the sheen he had noted in his April 8th field report. The sheen is recorded in Figures 93 and 94.

Paul Pansegrouw dipped the tip of his index finger into the sheen, then sniffed the tip of his finger. Paul remarked that the material smelled like a dead animal. The test was repeated by a representative of NDG&F resulting a similar observation. It was concluded that the sheen was the result of biological activity. It is important to note that the sheen did not possess the characteristic rainbow hues of a petroleum sheen, and that the sheen was actual numerous small sheens which did not join together as a petroleum sheen would.

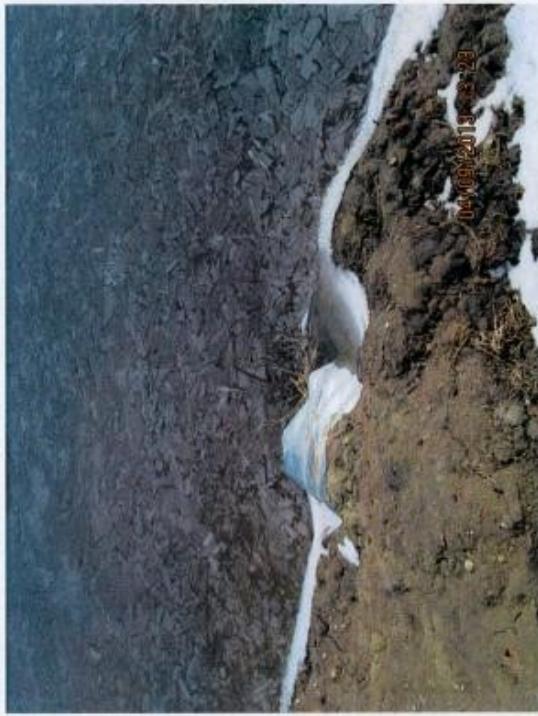
Further observations from the site visit were that no one had any evidence of petroleum on their clothing, even after walking through heavy, grassy cover. Kent Luttschwager asked the question, "Where did the petroleum go?" Paul Pansegrouw responded that most likely the petroleum either evaporated, or the action of sunlight and oxygen in the atmosphere decomposed the petroleum.

Discussion that followed resulted in three direct requests of Sjawson:

1. Ensure that hay filters don't washout in the future.
2. Replace sorbent booms following the controlled burn event.
3. Examine the composition of the hydraulic fracturing fluid and determine if any components will be observable from the analyses to be conducted from sampling events.

The site was departed by David Peters and Paul Pansegrouw at 1230 hours.

Figure 1.



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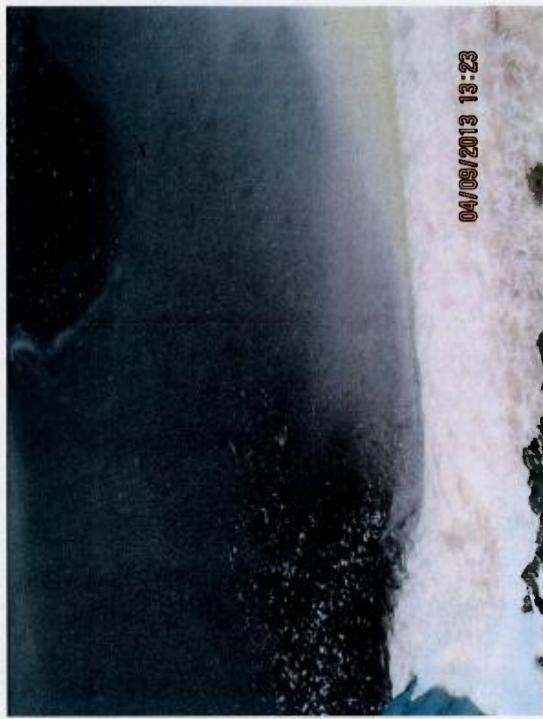


Figure 2.

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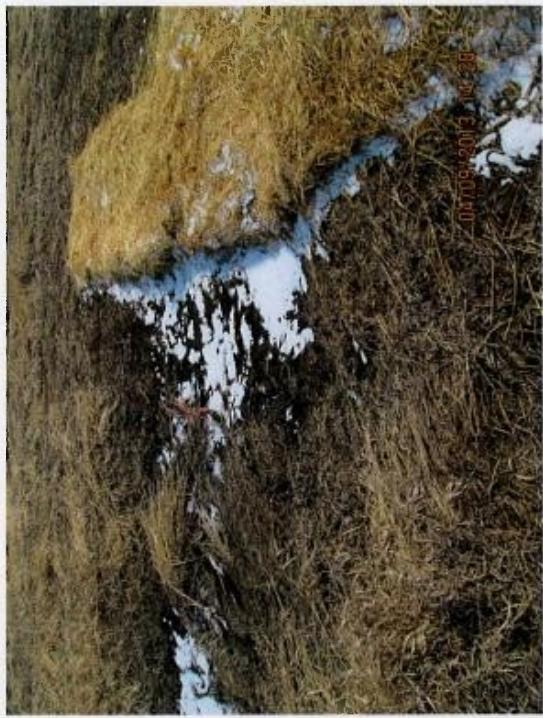


Figure 3.

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Figure 4.

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Figure 5.

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Figure 6.

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Figure 7.

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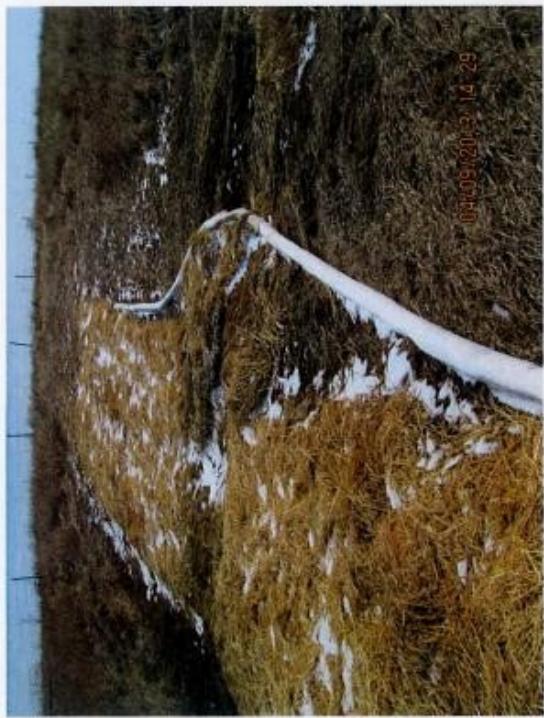


Figure 9.

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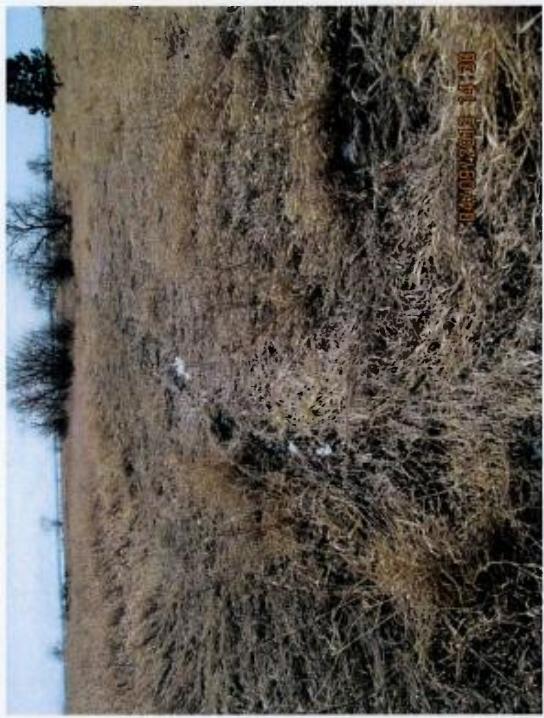


Figure 10.



Figure 11.

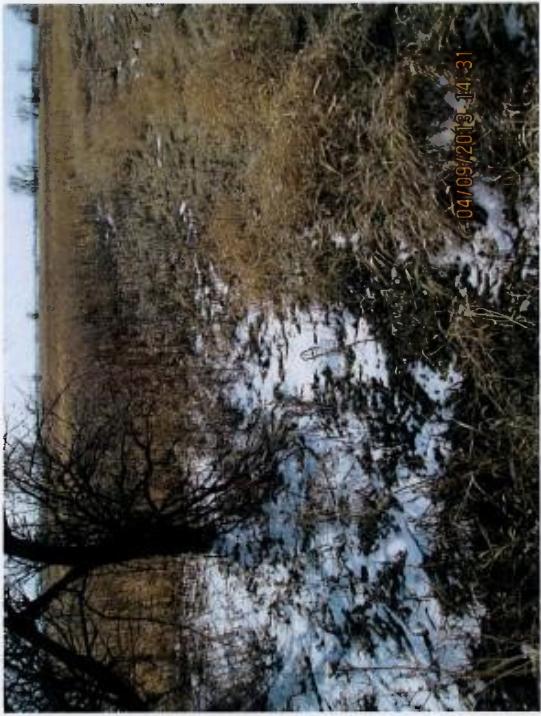


Figure 12



Figure 13

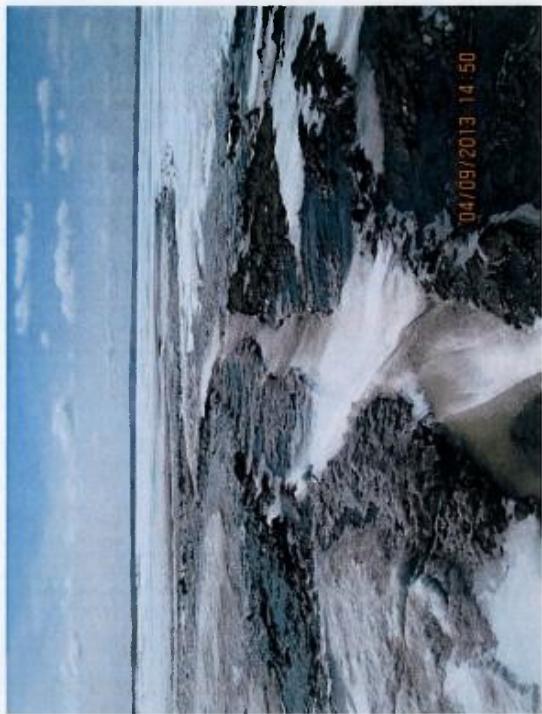


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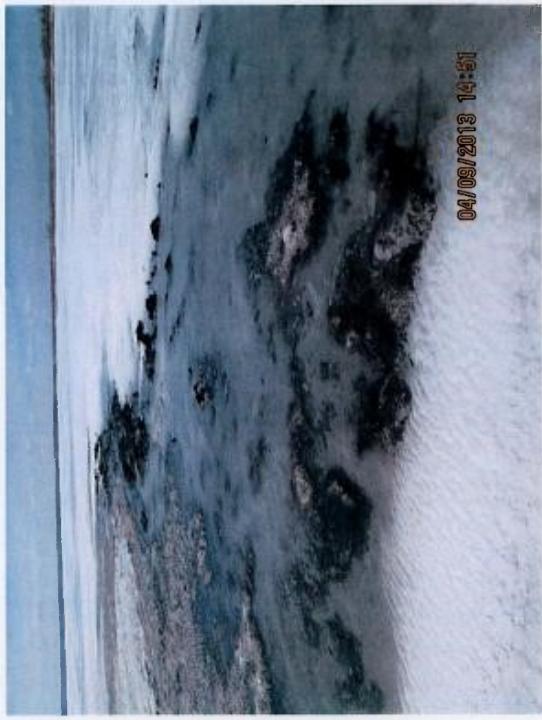


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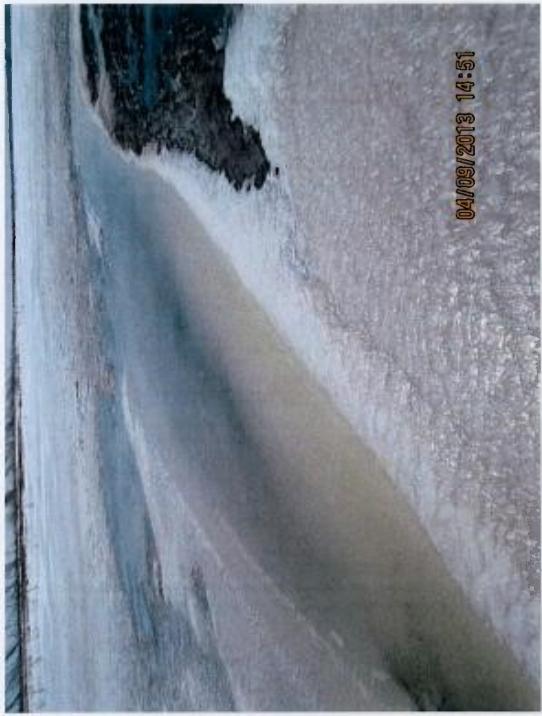


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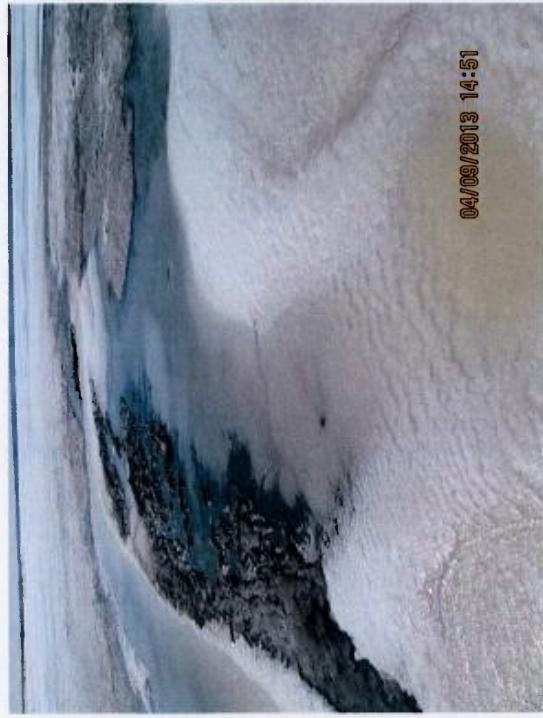


Figure 17.

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Figure 18.



Figure 19.

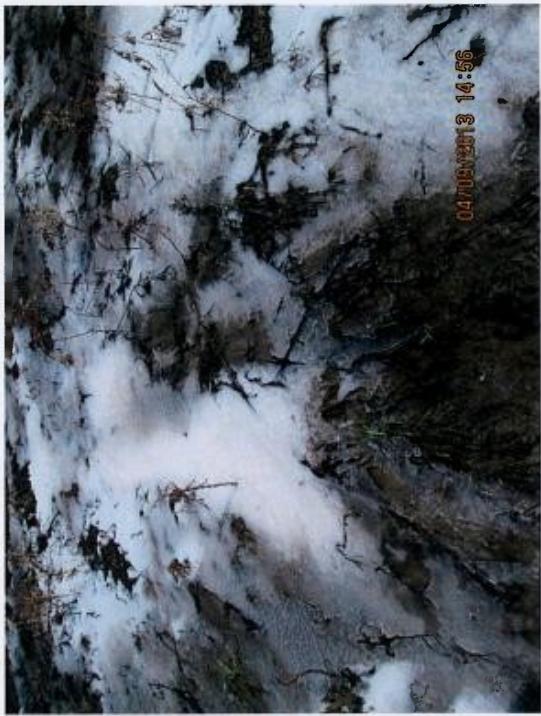


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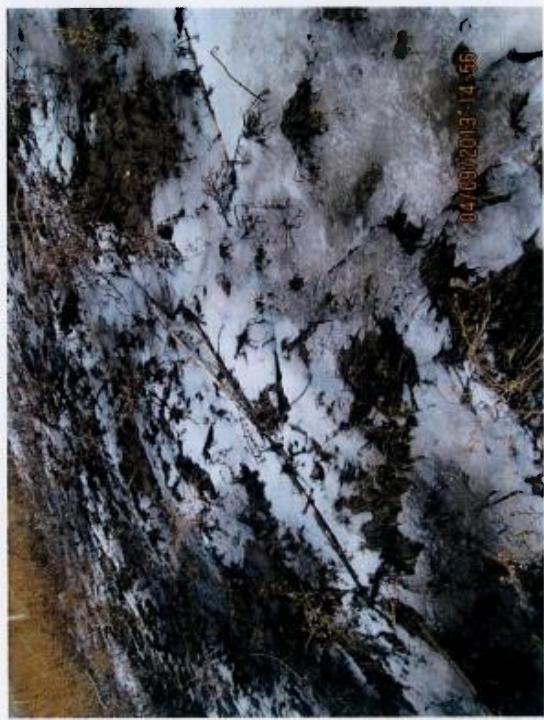


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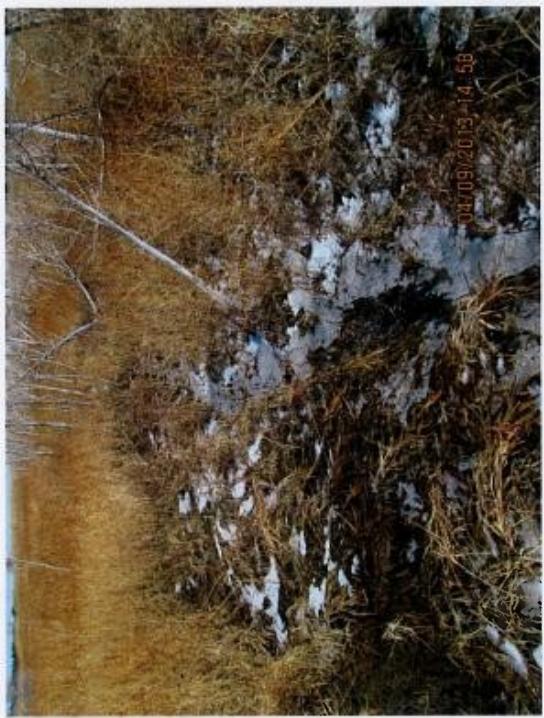


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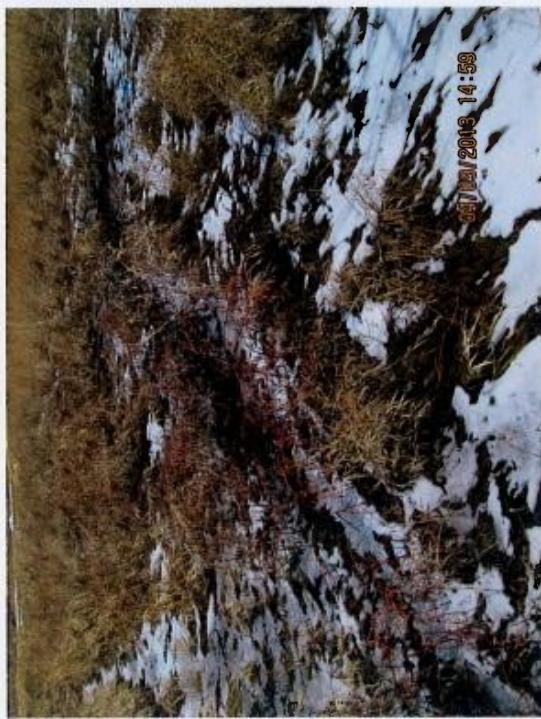


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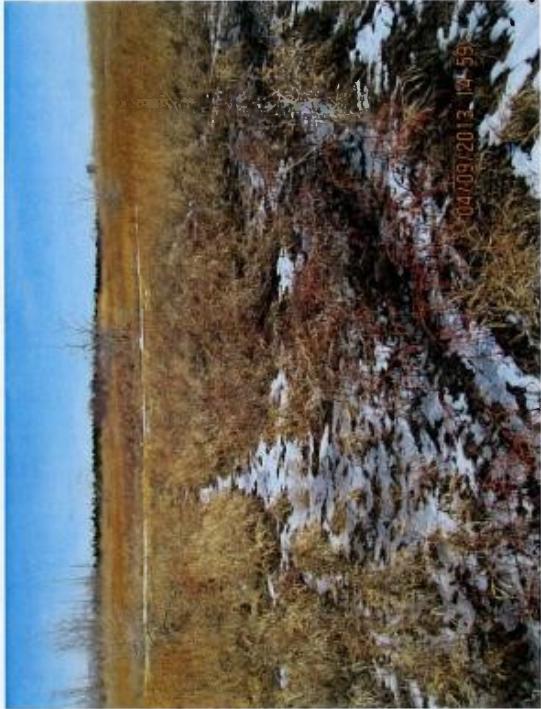


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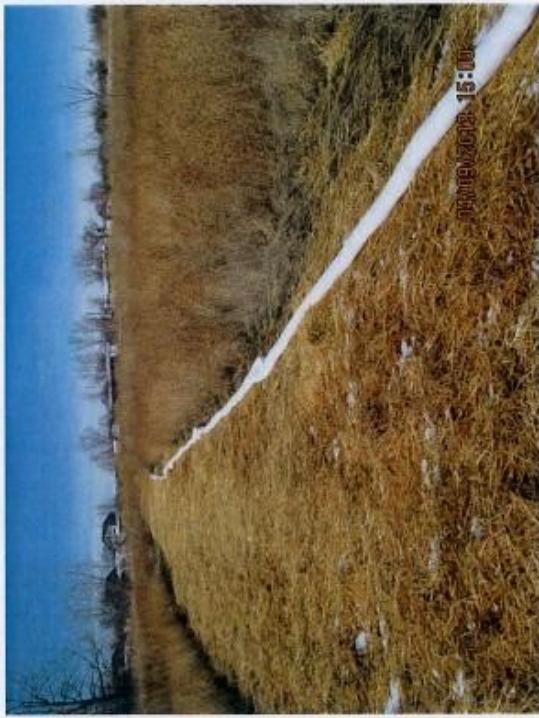


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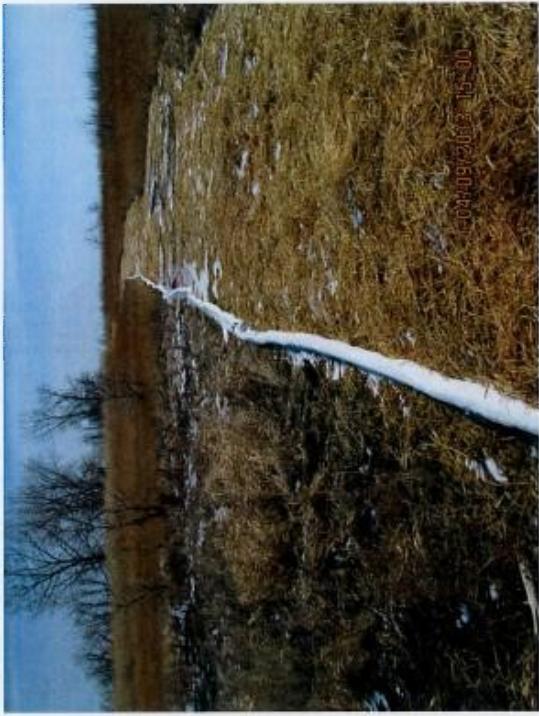


Figure 26.



Figure 27.

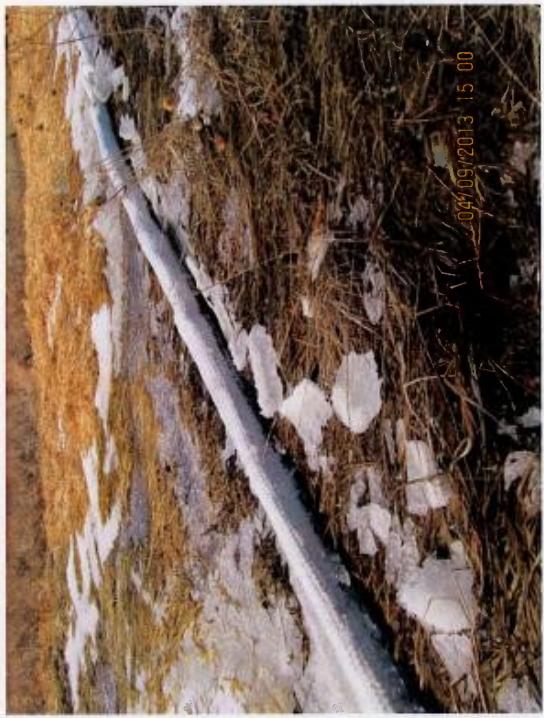


Figure 28.



Figure 29.

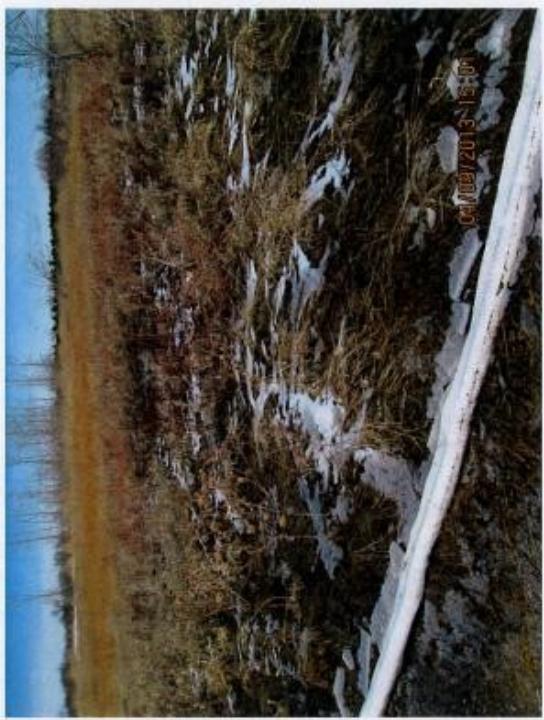


Figure 30.

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Figure 31.

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Figure 32.

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Figure 33.

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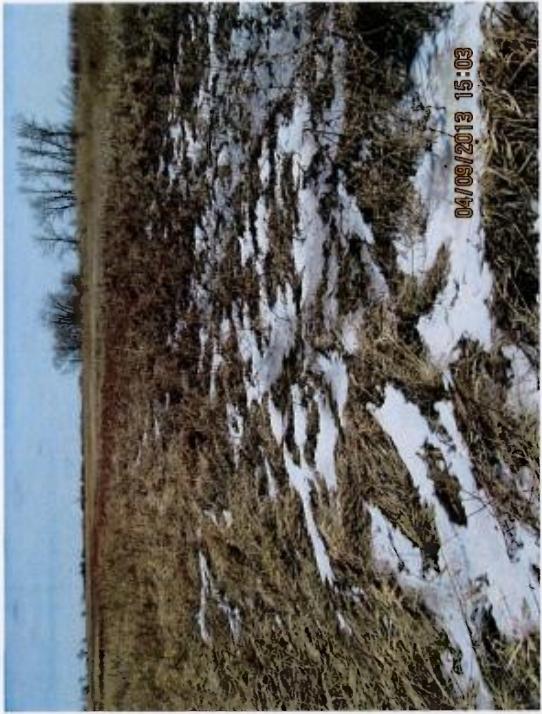


Figure 34.

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Figure 35.

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Figure 36.



Figure 37.



Figure 38.

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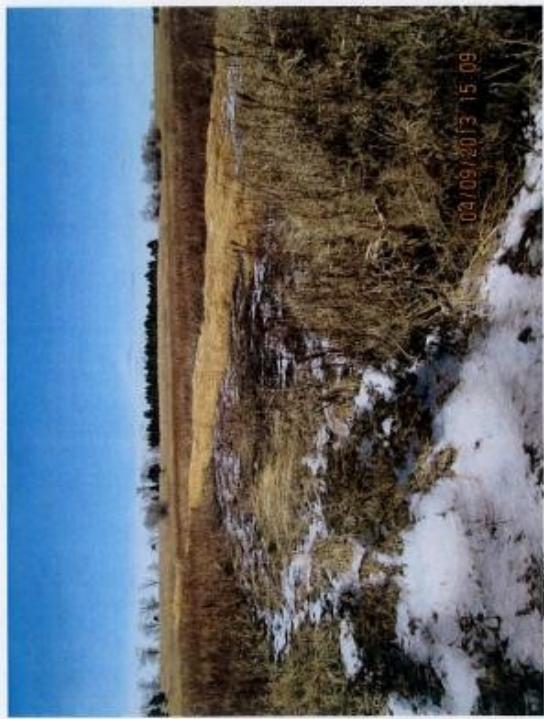


Figure 39.

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Figure 40.

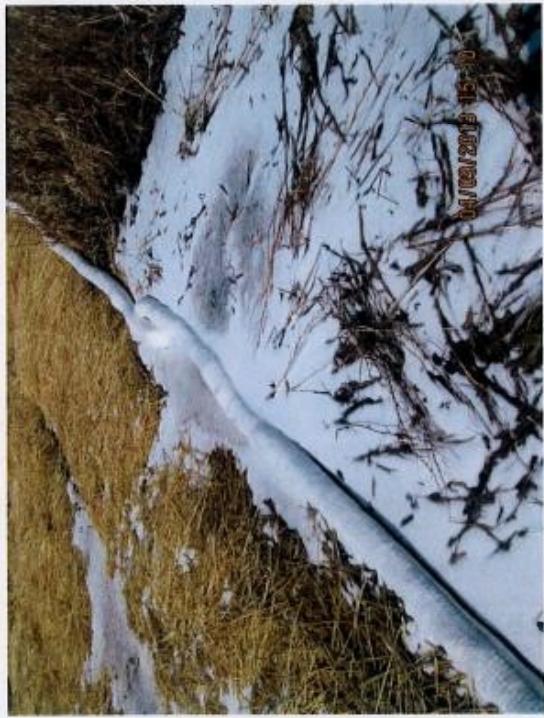


Figure 41.



Figure 42.

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Figure 43.

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Figure 44.



Figure 46.



Figure 45.



Figure 47.



Figure 48.

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Figure 49.

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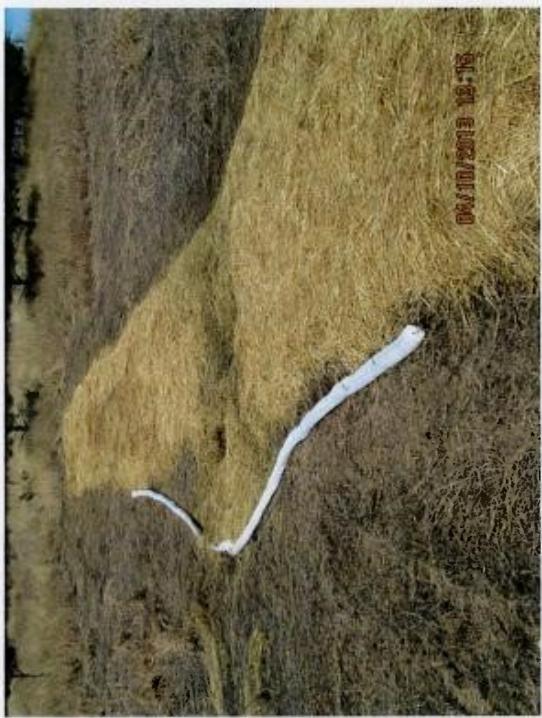


Figure 50.

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Figure 51.

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Figure 52.

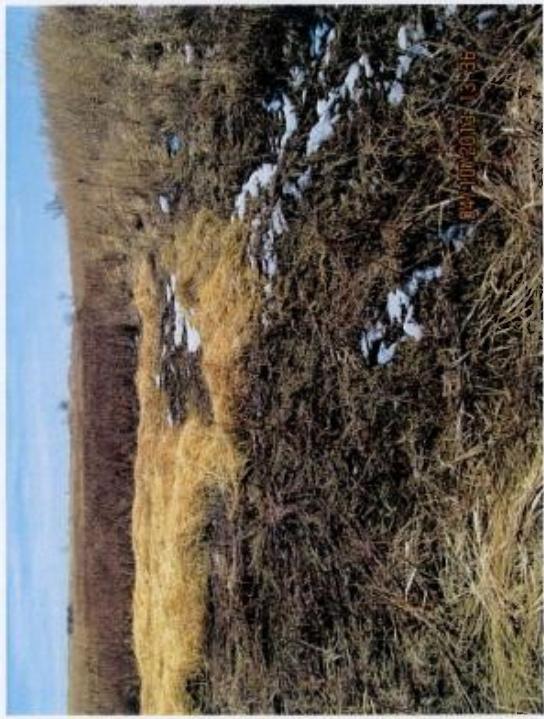


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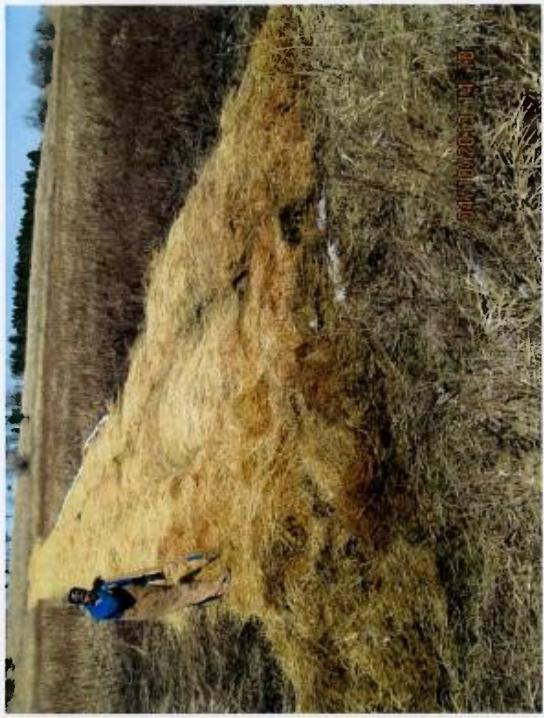


Figure 54.

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Figure 55.



Figure 56.

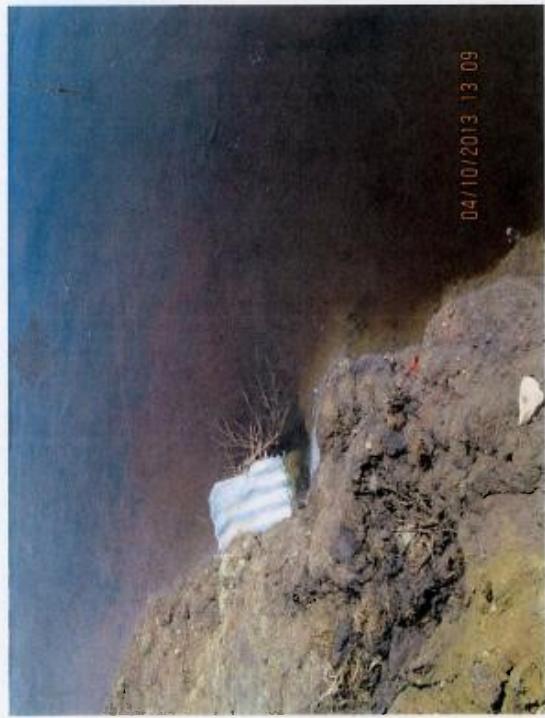


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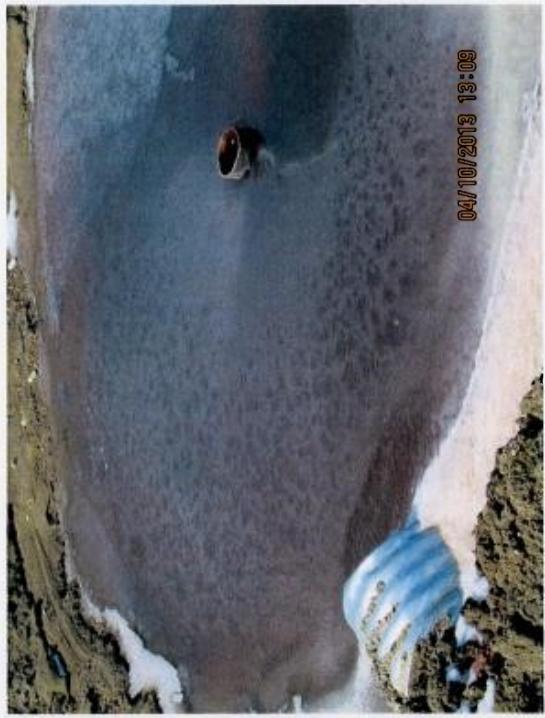


Figure 58.

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Figure 59.

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Figure 60.

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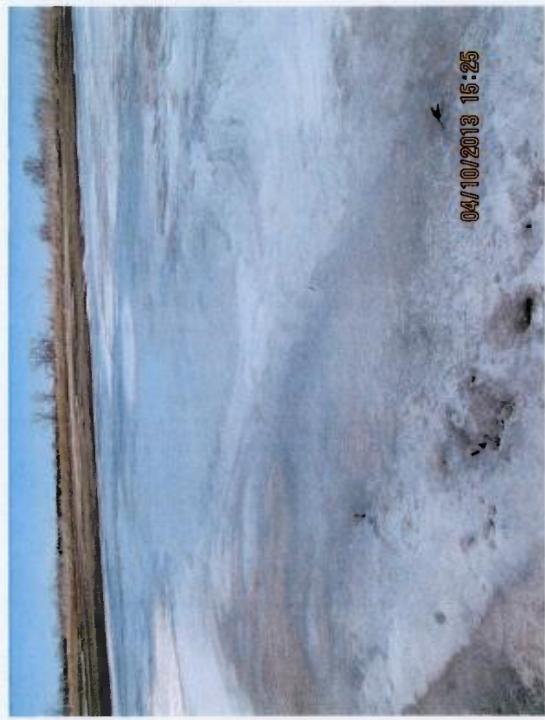


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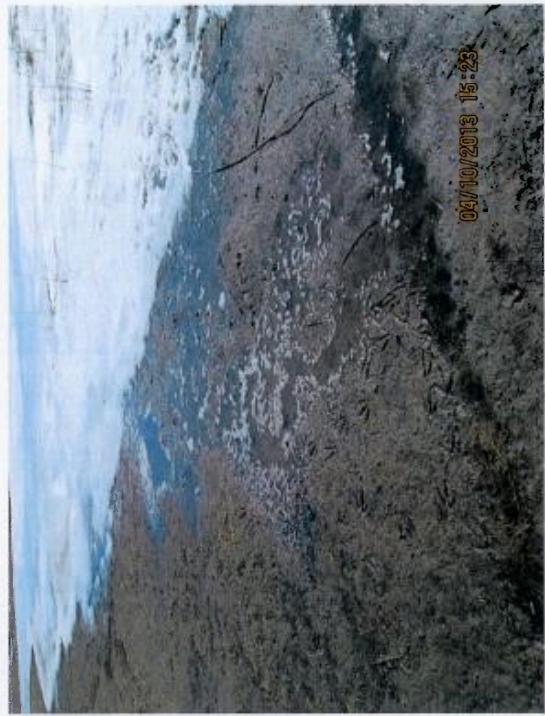


Figure 62.



Figure 63.

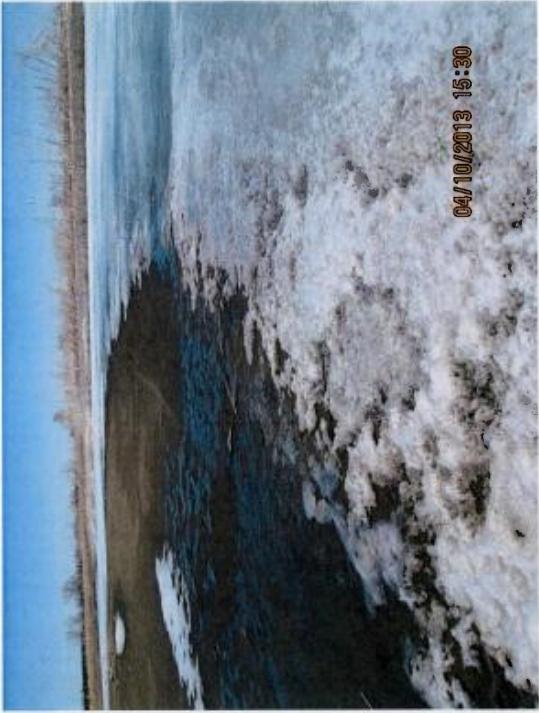


Figure 64.



Figure 65.



Figure 66.

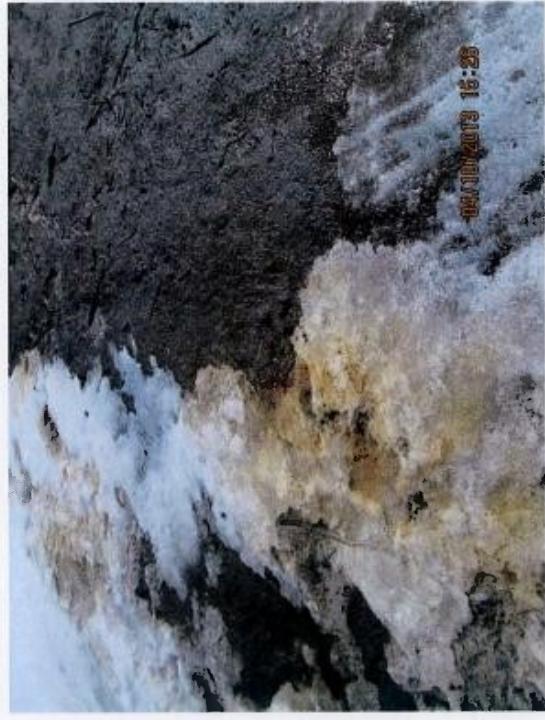


Figure 67.

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Figure 68.

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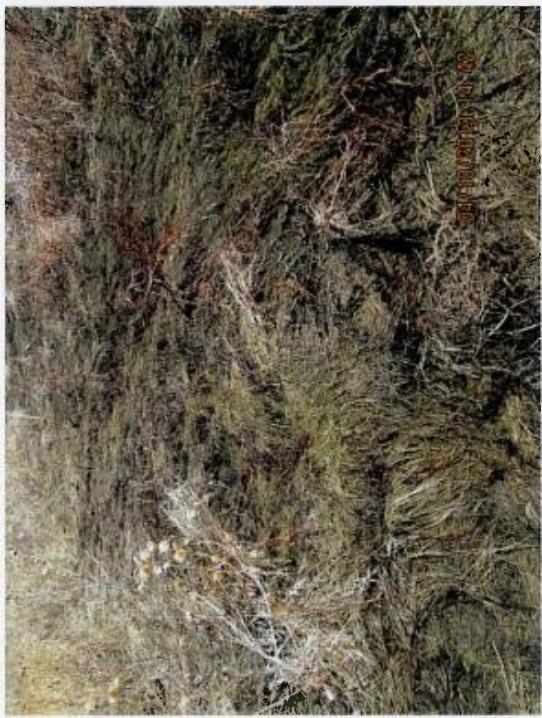


Figure 70.

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Figure 69.

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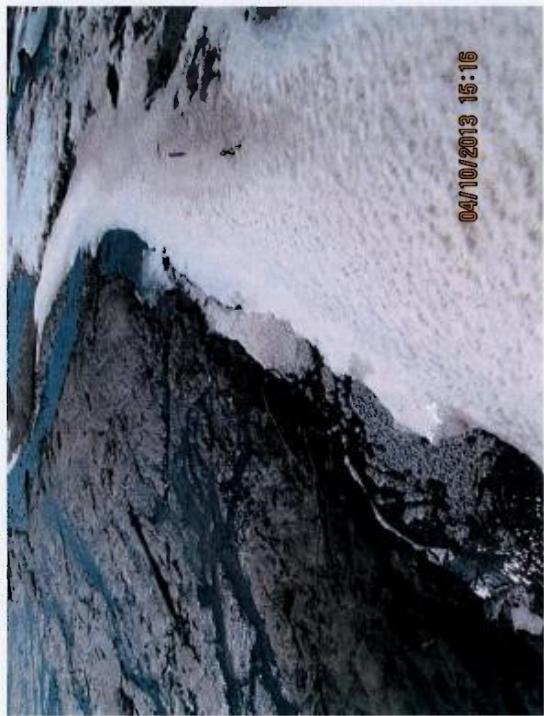


Figure 71.

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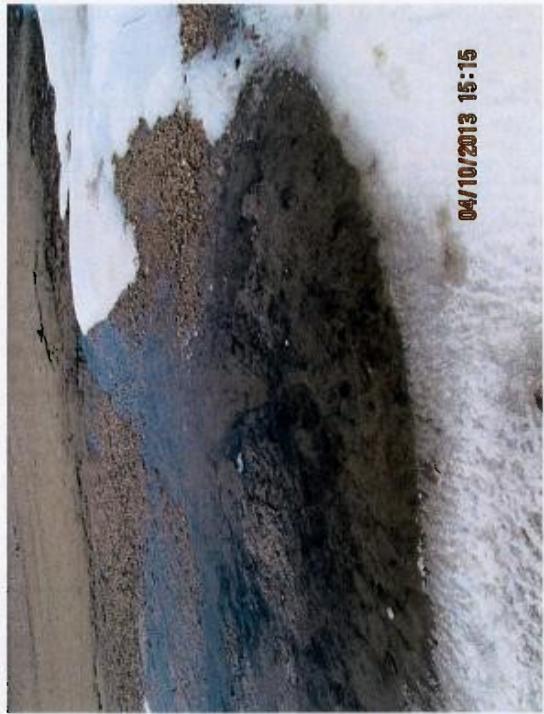


Figure 72.



Figure 73.



Figure 74.



Figure 75.



Figure 76.

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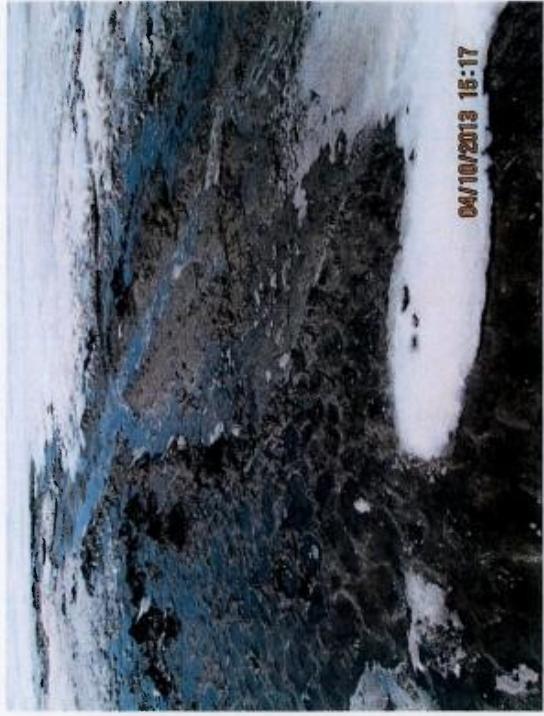


Figure 77.

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Figure 78.

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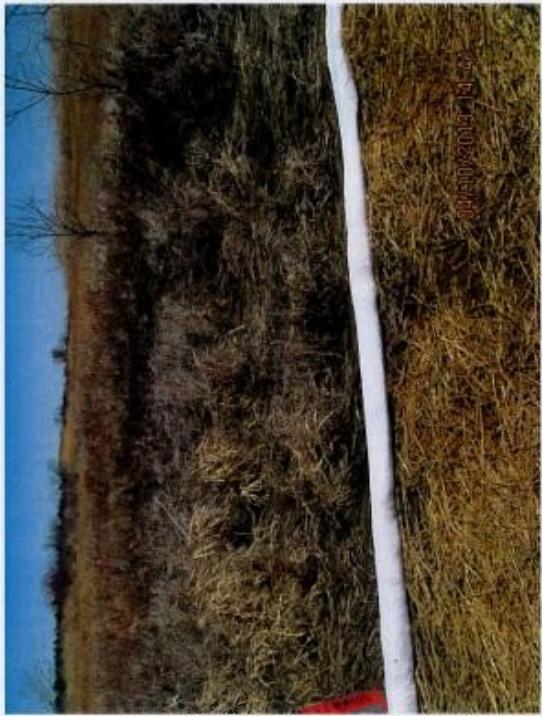


Figure 79.

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Figure 80.



Figure 81.

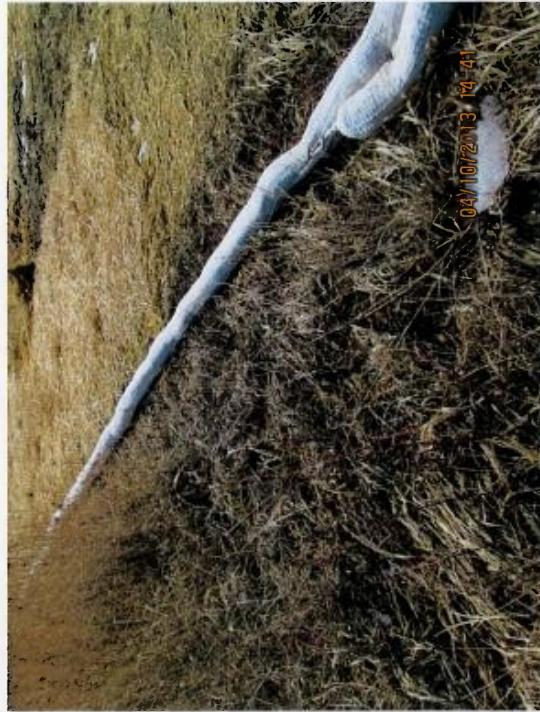


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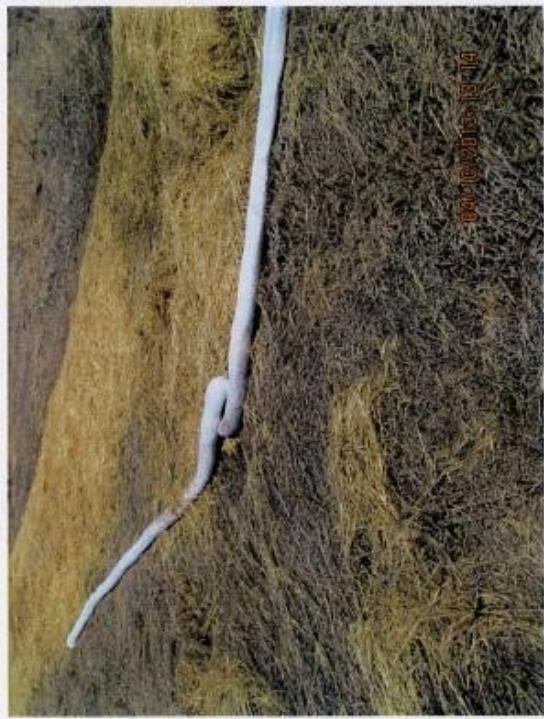


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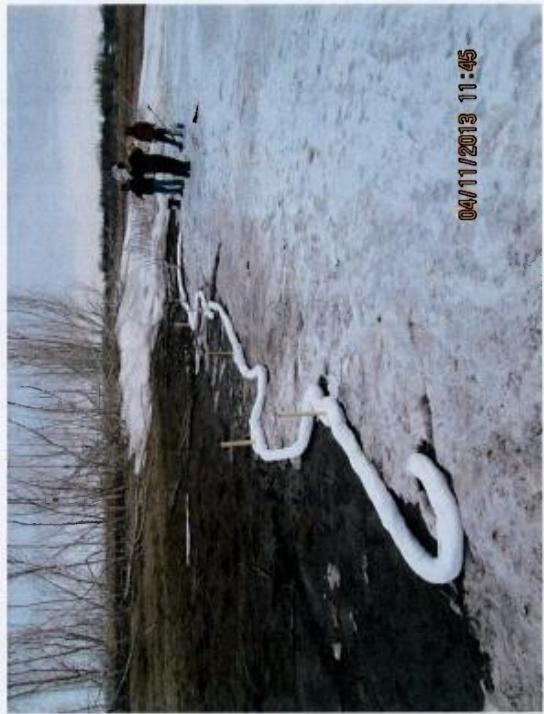


Figure 84.

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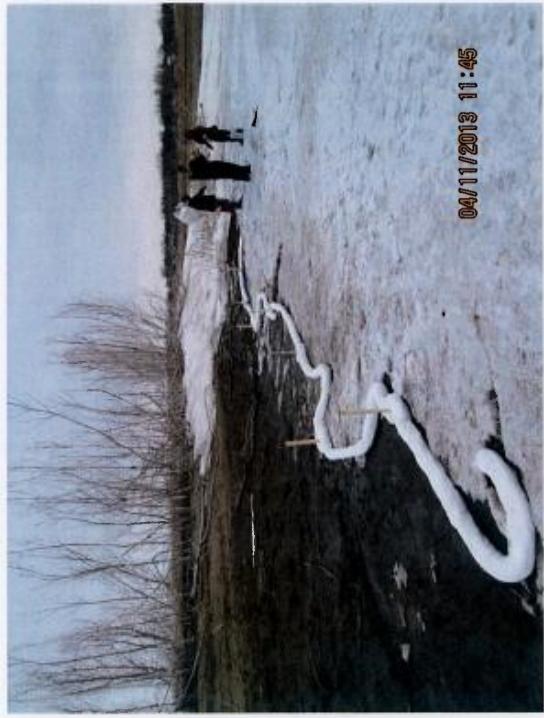


Figure 85.



Figure 86.

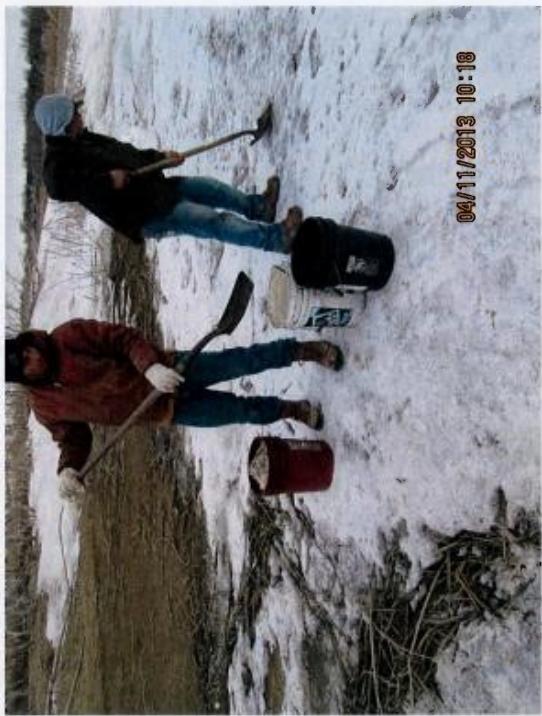


Figure 88.



Figure 87.

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Figure 92.



Figure 91.



Figure 89.



Figure 90.



Figure 93.